

IN THE CHANCERY COURT OF HICKMAN COUNTY, TENNESSEE

KEVIN P. LAVENDER, In his official)
capacity as Commissioner-In-)
Possession of Sentinel Trust Company)
and Receivership Management, Inc.,)
Receiver of Sentinel Trust Company,)
Plaintiffs,) No. 4980
v.)
DANNY N. BATES, et al.,)
Defendants.)

**PLAINTIFFS' RESPONSE TO DEFENDANT DANNY BATES' MOTION TO
DISMISS COMPLAINT FOR MISCONDUCT BY PLAINTIFFS**

I. Introduction

Respectfully, but in all candor, it is difficult to know where to begin in responding to Danny Bates' Motion to Dismiss Complaint for Misconduct by Plaintiffs (filed March 2, 2010). Perhaps the best way to respond is to look at where, in his Motion, Danny Bates sets forth what "a reasonably informed layperson" or "the informed public" would or would not conclude about a matter. It is here, as best as Plaintiffs can discern, that Danny Bates sets forth his positions as to why he has been/is being deprived of due process and/or why he cannot get a fair trial.¹ Indeed, one quote from Danny Bates' Motion to Dismiss, encapsulates the "unfairness" which he now urges has taken on

¹ Danny Bates' protestations that he cannot get a fair trial may be moot because summary judgment could be entered against him. If such is the case, then there would be no trial during which he would be subjected to the "unfairnesses" he has concocted.

constitutional significance. Paragraph 21 of Danny Bates' Motion to Dismiss states as follows:

[Danny Bates] asserts that the informed public would perceive that the State, through its executive branch officer, Plaintiff Commissioner, [and] his Receiver, . . . has and is unfairly using its prestige and power to transfer jurisdiction of Court records, influence judicial assignments to the case, and manage public opinion by the routine publication of Court records on the Internet.

Danny Bates' Motion to Dismiss at ¶21, p. 10. (brackets added for clarity, underlining added for emphasis, ellipse added).

Those are direct and unqualified accusations that are unsupported and false, and which, candidly, should give rise to sanctions. Plaintiffs, at least currently, do not seek sanctions. Rather, Plaintiffs assert that no legal, factual or equitable grounds have been advanced by Danny Bates to dismiss the Complaint and his Motion to Dismiss Complaint for Misconduct by Plaintiffs should be denied.

II. Discussion

a) Commissioner-in-Possession and Receiver Being "The State"

Danny Bates maintains that it is unfair to him that "a reasonably informed layperson would conclude that the Plaintiffs in these cases represent the executive branch of State government." Motion to Dismiss at ¶2, pp. 2-3. Plaintiffs disagree. A reasonably informed layperson would understand -- and a reasonable juror could be instructed -- that by statute the Commissioner-in-Possession stands in the shoes of Sentinel Trust. T.C.A. §45-2-1502(b)(2). A reasonably informed layperson would also understand -- and a reasonable juror could be instructed -- that while Jeanne Bryant was previously employed by the Tennessee Receiver's Office (which, though administered by the Tennessee Department of Commerce and Insurance, was never part of Tennessee

state government), Ms. Bryant has not been a state employee since 1999 and since 2004 has been the head of her own company, Receivership Management, Inc., which provides services to a variety of entities in insolvency contexts.

At a more basic level, Danny Bates' argument that he will receive an unfair trial because he will be seen as being pursued by "the State" is without merit. People are sued by, and go to trial against, "the State" everyday, and do so without violation of constitutional "fair trial" rights. Danny Bates is searching for excuses, desperately. But he provides this Court with nothing other than rank supposition concerning how he is being treated unfairly. Indeed, the "State" is not suing him, rather his own company -- the insolvency of which he caused through his own theft of funds and breach of duties -- is suing him through the statutorily appointed Commissioner-in-Possession and his appointed Receiver. Nothing unfair about that, and certainly no cause for the dismissal of the Complaint against him.

b) "Transfer of Jurisdiction of Court Records"

Danny Bates contends that unfairness is being visited upon him because the presiding judge of the 21st Judicial District ordered this case (along with the In re: Sentinel Trust Receivership proceeding - #4781) to be administratively transferred to Hickman County when Danny Bates' sister, Donna Couch, became the Lewis County Chancery Court Clerk and Master. The transfer to Hickman County is administrative only and any trial would be back in Lewis County from where the jury would be selected, so it is difficult to perceive how Danny Bates can claim the administrative transfer will cause the trial in this case, if it occurs, to be unfair.

Yet, Danny Bates boldly accuses Plaintiffs of "unfairly using [their] prestige and power" to effect the administrative transfer. Motion to Dismiss at ¶21, p. 10. It is true

that counsel for the Sentinel Trust Receiver wrote to all of the 21st Judicial District judges on the issue of Danny Bates' sister becoming Lewis County Clerk and Master. See Exhibit 1. Based on that letter, Judge Bivins found good cause existed and ordered the administrative transfer. **Exhibit 2**. Respectfully, it was the good cause shown that resulted in the administrative transfer of the cases. Danny Bates' position that Plaintiffs' "prestige and "power" coerced Judge Bivins into transferring the cases is fanciful at best, paranoia at worse, and is an affront and insult to Judge Bivins. Finally, the letter to the 21st Judicial District judges (**Exhibit 1**) was copied to both of Danny Bates' then-counsel and no objection, concern or response was communicated by or on behalf of Danny Bates. Thus, Danny Bates has waived his ability to complain about the administrative transfer.

Accordingly, for all these reasons, the administrative transfer of this case, along with the Sentinel Trust Receivership case (#4781), provides no grounds to dismiss the Complaint.

c) "Influencing Judicial Assignments"

A fair amount of Danny Bates' Motion to Dismiss is focused upon his right to have an impartial judge. Yet, toward the end of the Motion, Danny Bates pronounces that he "does not question the fairness or integrity of [Judge Kurtz] and . . . believes that this Court is uniquely qualified to evaluate these unprecedented circumstances and issues. . . ." Danny Bates' Motion to Dismiss at ¶25, p. 11 (brackets and ellipses added).² With

² Danny Bates' praise of this Court, however, is contradicted when Bates makes statements in his Motion to Dismiss such as "an appearance of impropriety could reasonably be inferred by an informed layperson [concerning Judge Kurtz] who had previously heard proof and arguments on the cause in another court and whose character and professionalism had previously been judged to have been attacked by Defendants." Danny Bates' Motion to Dismiss at ¶24, p. 11 (bracket added for clarity; underlining added for emphasis).

that admission by Danny Bates -- that this Court is fair and has integrity -- it would seem that Danny Bates would not be able to maintain that judicial assignments in this action have visited an unfairness upon him.

Nevertheless, Danny Bates proceeds to indict the judicial assignments in this action and boldly accuses Plaintiffs of unfairly using their “prestige and power” to influence those judicial assignments. Motion to Dismiss at ¶21, p. 10. In doing so, Danny Bates misrepresents facts (perhaps intentionally) and treads on thin ice in relation to being contemptuous toward the assignment orders of the Chief Justice of the Tennessee Supreme Court.

There have been several judges who have presided over the Sentinel Trust Company Receivership proceedings (#4781) and this case. When the Sentinel Trust Receivership commenced in May 2004, Judge Davies was covering the Lewis County Chancery docket. That lasted until the normal year-end rotation and Judge Harris came on board at the end of 2004. Judge Harris, however, had previously announced he was taking senior status and left the active bench and the Lewis County Chancery coverage, in early 2005,³ at which point Judge Bivins (who had been appointed to fill Judge Harris’ spot on the bench) became the judge covering Lewis County Chancery. Judge Bivins then presided over the Lewis County Chancery docket until the end of 2005 when it was his turn to rotate off. At that point, and without any motion being made for such relief, all of the 21st Judicial District judges recused themselves because Danny Bates’ sister was the then-sitting Lewis County Circuit Court Clerk. **Exhibit 3.** The issue of judge

³ In his Motion to Dismiss, Danny Bates snipes that Judge Harris was “replaced” when he ruled in a fashion contrary to previous rulings of Judge Davies. Motion to Dismiss at ¶20, p. 9. That statement is not true. Judge Harris was not replaced due to any decision he made; rather he left the Lewis County Chancery docket because he had taken senior status and his replacement, Judge Bivins, had been appointed.

assignment was referred to the Administrative Office of the Courts for the Chief Justice of the Tennessee Supreme Court to designate a judge to preside over the Sentinel Trust/Bates cases. Starting with Judge Swafford from Dyersburg, then moving to Senior Judge Scott from Murfreesboro, to Senior Judge Hayes⁴ from Jackson, and most recently with the designation of this Court, the Chief Justice of the Tennessee Supreme Court made several designations as to whom would preside over the Sentinel Trust Receivership case (#4781) and this action.

Yet, Danny Bates maintains that this action should be dismissed because Plaintiffs have unfairly used their “prestige and power” to influence these judicial assignments. This statement is raw, scurrilous and untrue. The judicial assignments were, first, a result of the long-standing annual Lewis County Chancery Court judge rotation and, second, a result of assignment orders of the Tennessee Supreme Court Chief Justice, who Danny Bates apparently attacks as a judge that has yielded to Plaintiffs’ “prestige and power.” Whether Danny Bates’ public court filings on that point are contemptuous of the Chief Justice’s orders, is an open question, but Danny Bates’ unsupported and baseless accusations of “unfair” judicial assignments provides no basis to dismiss the Complaint.

d) “Managing Public Opinion by Placing Public Record Documents on the Internet”

Again, in a strained effort to avoid taking responsibility for the consequences of his undisputed actions, Danny Bates says that he has been treated unfairly, and will be

⁴ As noted by Danny Bates, Senior Judge Hayes’ appointment was short lived because soon after the appointment, Judge Hayes realized that the matter involved his first cousin, Commissioner Gonzales, and recused himself from the proceedings.

denied a fair trial,⁵ because Plaintiffs have placed all of the public filings made in this case and the Sentinel Trust Receivership case (#4781) on the Tennessee Department of Financial Institution's ("TDFI") website.

Simply put, there is nothing wrong with placing public documents on a public website. The practice of placing court filings on the TDFI website was started so as to make more efficient and cost-effective notices of filings and/or copy requests regarding filings in the Sentinel Trust Receivership matter. It also provided a place to refer individuals who called or contacted either the TDFI or the Receiver about the proceedings and their status. To Plaintiffs' knowledge, the website postings have not been selective -- whatever was filed by anyone (including Danny Bates) was posted.⁶ Therefore, Danny Bates simply cannot say that Plaintiffs have engaged in manipulation of public opinion through such postings.

Moreover, Danny Bates (and his former counsel) have known about the practice of postings on the TDFI website for years and never raised any objection. And in the interim, Plaintiffs have continued to post the legal filings. Yet now, when in desperate need of something other than his own actions to blame, Danny Bates contends that the website postings -- and the injuries supposedly inflicted upon him as a result -- have taken on constitutional significance. Respectfully, Danny Bates has waived his ability to complain.

⁵ As noted earlier, the "unfair trial" contentions of Danny Bates may well be moot if summary judgment is entered against him as requested in Plaintiffs' pending Motion for Summary Judgment.

⁶ In some instances, lengthy exhibits to filings were not posted. If there has been omission of posting, such has occurred due to simple mistake and if Danny Bates can point to examples and provide copies of omitted filings, they will be posted too.

Finally, Danny Bates has simply engaged in rank unsupported speculation in saying that the “average juror” has been impacted by the website postings. He can inquire of such in voir dire and strike jurors as appropriate, if he survives the pending Motion for Summary Judgment. But in the end, Danny Bates cannot request dismissal of the Complaint against him simply because he says there is some type of imagined unfairness due to Plaintiffs having posted public documents on a public website.⁷

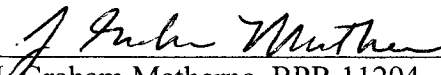
III. Conclusion

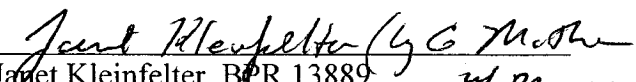
For the reasons stated, Defendant Danny Bates’ Motion to Dismiss Complaint for Misconduct by Plaintiffs should be dismissed.

⁷ Danny Bates further complains that confidential documents have been posted by Plaintiffs on the TDFI website. On this point, Danny Bates does not request that dismissal of the Complaint be based on what he contends are inappropriate disclosures of confidential documents. Rather, he simply requests the Court to determine whether such has occurred and, if so, to consider sanctions against Plaintiffs. Motion to Dismiss at ¶16, p. 8. Therefore, even Danny Bates admits that this “disclosure of confidential document” argument does not present grounds to dismiss the Complaint.

However, it is important for the Court to know that there has been no improper disclosure of confidential information. The only specific matter noted by Danny Bates is the filing (and subsequent posting on the TDFI website) of an Affidavit of Wade McCullough which Danny Bates alleges contained, as Exhibit A, a confidential examination report. Motion to Dismiss at ¶12, p. 6. Plaintiffs assert that Danny Bates is factually incorrect because their review of the internet postings does not reveal a McCullough affidavit that has an examination report attached as an exhibit. The report Danny Bates refers to is not an examination report under T.C.A. §45-2-1602, but rather is a report concerning whether to liquidate or rehabilitate Sentinel Trust. Otherwise, Danny Bates’ complaints about disclosure of confidential documents are non-specific, vague assertions that internet postings “may” have been inappropriate. See Motion to Dismiss at ¶¶13, 14 and 15, pp. 7-8. While Danny Bates refers to T.C.A. §45-2-1603 and T.C.A. §45-2-1713, both of these statutory sections have been complied with. T.C.A. §45-2-1603(a)(6) allows disclosure of examination reports in court proceedings filed by the commissioner and, to the extent the Sentinel Trust examination reports were filed or disclosed, such was done in compliance with T.C.A. §45-2-1603(b) as under seal or subject to protective orders. Moreover, T.C.A. §45-2-1713 was not violated because disclosures, to the extent disclosures occurred, of Sentinel Trust’s financial condition, were not made as a result of an examination, but rather as a result of taking possession of Sentinel Trust and were otherwise authorized under §45-2-1603. Danny Bates’ reference to T.C.A. §8-6-407 (Motion to Dismiss at ¶14, p. 7) is misplaced because no Attorney General and Reporter’s internal investigation, writings or records have been filed or disclosed in this matter. Finally, Danny Bates’ reference to T.C.A. §9-19-109 (Motion to Dismiss at ¶15, pp. 7-8) is of no consequence because, even if bondholder identification information was disseminated, such was only done in the context of notifications, or other matters, relating to litigation or receivership actions impacting those bondholders and, thus, would not be in violation of T.C.A. §9-19-109. Huntsville Utility District v. General Trust Company, 839 S.W.2d 397, 406 (Tenn. Ct. App. 1992).

Respectfully submitted,


J. Graham Matherne, BPR 11294
WYATT, TARRANT & COMBS, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
Telephone: 615.244.0020
Facsimile: 615.256.1726
Counsel for Receiver of Sentinel Trust
Company


Janet Kleinfelter, BPR 13889 *(up person)*
Office of the Tennessee Attorney General
425 5th Avenue North
Nashville, TN 37243
Telephone: 615.741.7403
Facsimile: 615.532.8223
Counsel for Commissioner-in-Possession of
Sentinel Trust Company

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served upon the following, via U.S. Mail and by Federal Express as noted, on this the 8th day of March, 2010.

David D. Peluso
P.O. Box 250
Hohenwald, TN 38462-0250

Gary O'Brien
163 Shady Lane
Hohenwald, TN 38463

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114

Danny Bates
Sentinel Services Corporation
205 Bastin Road
Hohenwald, TN 38462
(Via Federal Express)

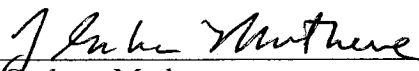
Larry Stewart
Adams and Reese/Stokes Bartholomew
424 Church Street, Suite 2800
Nashville, TN 37219

Deanna June Bates
205 Bastin Road
Hohenwald, TN 38462

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802

Clifton Todd Bates
312 Bastin Road
Hohenwald, TN 38462

Howard Cochran
P.O. Box 2322
Brentwood, TN 37024



J. Graham Matherne

September 5, 2008

Via Facsimile No. 790-4424

and First Class Mail

The Honorable Timothy L. Easter
Presiding Judge, 21st Judicial District
135 4th Avenue South
P.O. Box 1469
Franklin, TN 37065

Via Facsimile No. 790-4424

and First Class Mail

The Honorable R.E. Lee Davies
Judge, 21st Judicial District
135 4th Avenue South
P.O. Box 1469
Franklin, TN 37065

Via Facsimile No. 790-4424

and First Class Mail

The Honorable Jeffrey S. Bivins
Judge, 21st Judicial District
135 4th Avenue South
P.O. Box 1469
Franklin, TN 37065

Via Facsimile No. 790-4424

and First Class Mail

The Honorable Robbie T. Beal
Judge, 21st Judicial District
135 4th Avenue South
P.O. Box 1469
Franklin, TN 37065

Re: In re: Sentinel Trust Company
#4781 Lewis County Chancery Court
Lavender, et al. v. Bates, et al.
#4980 Lewis County Chancery Court

Dear Your Honors:

I write to Your Honors as counsel to the Sentinel Trust Receiver and with the permission of General Janet Kleinfelter of the Tennessee Attorney General's Office, counsel to the Commissioner-in-Possession. Both the Commissioner-in-Possession (i.e., the Commissioner of the Department of Financial Institutions) and Sentinel Trust Receiver are parties to/involved in the above-referenced actions.

We understand that Janet Williams will end her service as Clerk and Master of the Lewis County Chancery Court at the end of this month and that the present Lewis County Circuit Court Clerk, Donna Bates Couch, will take over as Clerk and Master. As we know you are aware, Ms. Couch is the sister of Danny Bates, who is the principal named defendant in the #4980 case referenced above and is the former president and owner of Sentinel Trust Company, which is in receivership in the #4781 case referenced above.

EXHIBIT

1

September 5, 2008

Page 2

The situation of Ms. Couch being Mr. Bates' sister caused all of the judges in the 21st Judicial District to recuse themselves from these two cases in December 2005. See Exhibit 1 attached. The reason for the district-wide recusal – the possibility of the appearance of impropriety existing because Ms. Couch was the Circuit Court Clerk -- was set forth by Judge Bivins at a December 5, 2005 hearing where the Court stated as follows:

The judges of the 21st Judicial District have all agreed that, given that Case No. 4980 has been filed individually against Mr. Bates and others and given the relationship between Mr. Bates and the current Circuit Court Clerk for Lewis County [i.e., Ms. Couch], that any continuation of any judge of the 21st Judicial District in that particular case could create an appearance of impropriety.

Therefore, the judges of the 21st Judicial District have concluded that it would be appropriate to all recuse themselves from Action No. 4980, which is the Commissioner-in-Possession versus Sentinel Trust Company versus Danny Bates, et al., individually.

There was some discussion as to whether this judge would continue with the Receivership action. But this judge feels, with concurrence of the other judges of the 21st Judicial District, that given that these cases are so interrelated, that it makes for better judicial efficiency and for the best interest of all concerned for a single judge to continue presiding over both of these matters.

Accordingly, there will be an Order entered by this Court which will appoint a judge by interchange to hear this matter. We are in the process of identifying this judge at this point in time. We have narrowed it down to two individuals, and we'll be identifying the presiding judge within the next week as to who will be presiding.

This Court will continue to maintain jurisdiction over the Receivership action until the natural rotation takes place on January the 1st, 2006. At that point in time, the Receivership action shall be reassigned to the judge sitting by interchange which shall hear both the Receivership action and the Case No. 4980 against Mr. Bates, et al.

September 5, 2008

Page 3

See Exhibit 2 (relevant portion of December 5, 2005 Hearing Transcript (brackets added)).

Respectfully, the same potential, if not greater potential, of "an appearance of impropriety" that caused the recusal of all the judges of this Judicial District, would exist if Ms. Couch was in charge, as Clerk and Master, of the filings in these cases (some of which have been and will be under seal) and otherwise in charge of the administrative progression of these cases.

The Commissioner-in-Possession and Receiver feel certain that in appointing Ms. Couch as Lewis County Chancery Court Clerk and Master, Your Honors would have a way to address this issue. We request that Your Honors address this "appearance of impropriety" potential, which could include the administrative transfer of the cases to another county's Chancery Court within the district, prior to September 30, 2008. An administrative transfer of the cases to another Chancery Court would protect Ms. Couch from any appearance of impropriety issues and, of course, any trial in these cases would occur back in Lewis County.

By recent order of the Tennessee Supreme Court, former Tennessee Criminal Court of Appeals Judge David G. Hayes, of Jackson, Tennessee, has been appointed as the special judge for these two cases. See Exhibit 3. We are copying Judge Hayes with this letter so that he will be apprised of the situation if Your Honors desire to contact him in relation to this issue. Both I and General Kleinfelter welcome the opportunity to appear and further discuss this matter at a time convenient to Your Honors and all others, if such would be helpful.

Sincerely,



J. Graham Matherne

JGM:el

~~Attachments~~

cc: Judge David G. Hayes (w/attachments) (Via Facsimile No.(731) 426-0646) (First Class Mail)
Jeanne B. Bryant (w/attachments) (Via Facsimile No. 373-4336) (First Class Mail)
Janet Kleinfelter (w/attachments) (Via Facsimile No. 532-8223) (First Class Mail)
Tina Miller (w/attachments) (Via Facsimile No. 253-1875) (First Class Mail)
Donald Schwendimann (w/attachments)(Via Facsimile No.(931) 796-5692)(First Class Mail)
Carrol Kilgore (w/attachments) (Via Facsimile No. 356-8138) (First Class Mail)
Janet Williams (w/attachments) (Via First Class Mail)
Donna Bates Couch (w/attachments) (Via First Class Mail)

IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE:

SENTINEL COMPANY

NO. 4781

FILED
AT 9:17 O'CLOCK A. M.

DEC 21 2005

JANET WILLIAMS, CLERK & MASTER
BY Selena Wix

ORDER

The undersigned judges of the 21st Judicial District hereby recuse themselves from this action. By copy of this Order to the Administrative Office of the Courts, the Chief Justice of the Tennessee Supreme Court is requested to designate a new presiding judge in this matter.

IT IS SO ORDERED.

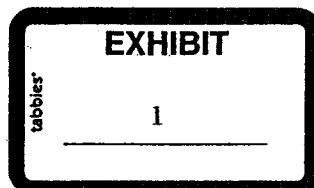
ENTERED this 21st day of December, 2005.

Russ Heldman
RUSS HELDMAN
CIRCUIT JUDGE, DIV. I

R.E. Lee Davies
R.E. LEE DAVIES
CIRCUIT JUDGE, DIV. II

Jeffrey S. Bivins
JEFFREY S. BIVINS
CIRCUIT JUDGE, DIV. III

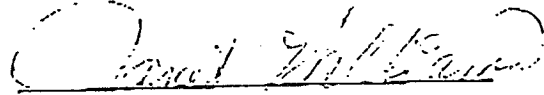
Timothy L. Easter
TIMOTHY L. EASTER
CIRCUIT JUDGE, DIV. IV



MINUTE BOOK A-10 PAGE 407

Certificate of Service

I, Janet Williams, Clerk and Master of the Chancery Court of Lewis County, Tennessee, do hereby certify that I have mailed a copy of the foregoing order by First Class U.S. Mail, postage prepaid, on this the 21st day of December, 2005.



Clerk and Master

Donald W. Schwendimann
12 East Fourth Avenue
P.O. Box 366
Hohenwald, TN 38462

J. Graham Matherne
Wyatt, Tarrant & Combs, LLP
2525 West End Ave., Suite 1500
Nashville, TN 37203-1423

Janet M. Kleinfelter
Senior Counsel
Office of Attorney General
Financial Division
425 5th Avenue North
P.O. Box 20207
Nashville, TN 37243

Carrol Kilgore
227 Second Avenue North, 4th Floor
Nashville, TN 37201

David D. Peluso
P.O. Box 250
Hohenwald, TN 38462

James S. Chase
John A. Decker
Hunton & Williams, LLP
900 South Gay Street, Suite 2000
P.O. Box 951
Knoxville, TN 37901

William B. Hubbard
Weed, Hubbard, Berry & Doughty
SunTrust Bank Bldg., Ste. 1420
201 Fourth Avenue North

Larry Stewart
Stokes, Bartholomew, Evans & Petree
424 Church Street, Ste 2800
Nashville, TN 37219

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
21ST JUDICIAL DISTRICT, LEWIS COUNTY
HOHENWALD, TENNESSEE

IN RE:

SENTINEL TRUST COMPANY

and

KEVIN P. LAVENDER, IN HIS
OFFICIAL CAPACITY AS
COMMISSIONER-IN-POSSESSION of
SENTINEL TRUST COMPANY AND
RECEIVERSHIP MANAGEMENT, INC.
RECEIVER of SENTINEL TRUST
COMPANY

Plaintiffs,

v.

DANNY N. BATES, CLIFTON TODD
BATES, HOWARD H. COCHRAN,
GARY L. O'BRIEN, DEANNA JUNE
BATES and SENTINEL SERVICES
CORPORATION

Defendants.

Case No. 4781

Case No. 4980

December 5, 2005
Lewis County Courthouse
Hohenwald, Tennessee

The above-entitled matter came on for hearing
at 9:48 a.m., before:

THE HONORABLE JEFFERY BIVINS
Circuit Court Judge

ORIGINAL

ANDERSON COURT REPORTING
528 Anderson Road
Linden, TN 37096
(O) 931.589.3839 (F) 931.589.2778
E-mail: Stephensharo@aol.com

EXHIBIT

APPEARANCES:On behalf of Sentinel Trust:

DONALD SCHWENDIMANN
12 East Fourth Avenue
P.O. Box 366
Hohenwald, Tennessee 38462
Fax 931.796.5692

On behalf of the Hon. Kevin P. Lavender,
Commissioner-in-Possession of Sentinel Trust
Company, in Liquidation:

JANET M. KLEINFELTER, Senior Counsel
Office of the Attorney General
Financial Division
425 5th Avenue North
P.O. Box 20207
Nashville, Tennessee 37243
Phone 615.741.7403

On behalf of Receivership Management, Inc.,
Receiver of Sentinel Trust Company, in
Liquidation:

J. GRAHAM MATHERNE, BPR #11294
Wyatt, Tarrant & Combs, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
Phone 615.244.0020

501 apology.

502 "Yours very truly, Schwendimann and
503 Associates." Signed by Donald W. Schwendimann.

504 This Court can very well understand how Mr.
505 Bates would have those very feelings in this case.
506 This Court has made a number of rulings which have been
507 against Mr. Bates. He is a personal party to these
508 actions, and it is understandable that he could have
509 those feelings. What is not understandable is that
510 those type feelings would be contained in a Pleading
511 filed in this Court.

512 Mr. Schwendimann has now proceeded not only
513 to attack the integrity and the character of three
514 judges, but four judges. Again it is something this
515 Court has not seen in almost 20 years of practice.

516 There are a number of factual inaccuracies in
517 this Response to which this Court is not going to
518 consume additional time in addressing.

519 The Court will simply conclude by stating
520 that these words and these actions bring disrespect and
521 dishonor to this Court, to our profession, and quite
522 frankly, Mr. Schwendimann, I think to you personally.

523 These matters are still before the Court upon
524 the Motion filed by the Receiver and the Commissioner-
525 in-Possession. The Court's visceral response would be

526 to continue on both of these actions because to
527 demonstrate this Court's fairness and consideration.

528 However, in spite of the Response that has
529 been filed, this Court well before the Motion was filed
530 by the Receiver and the Commissioner-in-Possession
531 conferred with my colleagues of the 21st Judicial
532 District regarding these matters. The judges of the
533 21st Judicial District have all agreed that, given that
534 Case No. 4980 has been filed individually against Mr.
535 Bates and others and given the relationship between Mr.
536 Bates and the current Circuit Court Clerk for Lewis
537 County, that any continuation of any judge of the 21st
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553 Accordingly, there will be an Order entered
554 by this Court which will appoint a judge by interchange
555 to hear this matter. We are in the process of
556 identifying this judge at this point in time. We have
557 narrowed it down to two individuals, and we'll be
558 identifying the presiding judge within the next week as
559 to who will be presiding.

560 This Court will continue to maintain
561 jurisdiction over the Receivership action until the
562 natural rotation takes place on January the 1st, 2006.
563 At that point in time, the Receivership action shall be
564 reassigned to the judge sitting by interchange which
565 shall hear both the Receivership action and the Case
566 No. 4980 against Mr. Bates, et al.

567 We stand in recess for 15 minutes.

568 (Whereupon, this hearing was concluded at
569 10:33 a.m.)

570

571

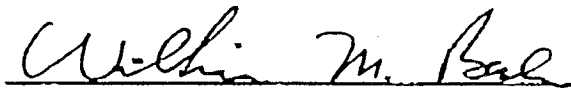
IN THE SUPREME COURT OF TENNESSEE

IN RE: Sentinel Trust Company
No. 4781
Lewis County Chancery Court
21st Judicial District

ORDER

In the interest of the efficient and orderly administration of justice, the Chief Justice, exercising his statutory and inherent powers pursuant to Title 17, Part 2, Sections 201 and 202 of the provisions of Tennessee Code Annotated, and Rule 11 of the Rules of the Supreme Court, hereby designates and assigns The Honorable David G. Hayes, Senior Judge, to hear the above-styled case to its conclusion.

ENTERED this 17th day of July 2008.



William M. Barker
Chief Justice

cc: Hon. Tim Easter, Presiding Judge, 21st Judicial District
Hon. David G. Hayes, Senior Judge
Lewis County Clerk and Master
Administrative Office of the Courts

EXHIBIT

3

tabbles

IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE:

SENTINEL TRUST COMPANY)
)
)
)

NO. 4781

FILED Sept. 29, 2008
at 8:00 o'clock 7 M.

JANET WILLIAMS, Clerk & Master

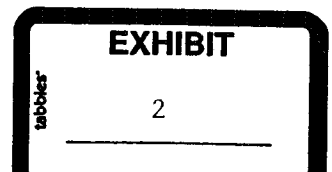
BY Janet WilliamsORDER

For good cause shown, effective October 1, 2008, this matter is transferred for administrative purposes only to the Clerk & Master for Hickman County, Tennessee. As of October 1, 2008, the parties are to direct all filings and communications concerning hearings and other administrative matters in this case to the Clerk & Master for Hickman County, Tennessee, in her office in Centerville, Tennessee. The Lewis County Chancery Court shall retain jurisdiction over this matter for all other purposes.

IT IS SO ORDERED.


ENTERED this 26th day of September, 2008.

Jeffrey S. Bivins
JEFFREY S. BIVINS
PRESIDING JUDGE
21ST JUDICIAL DISTRICT

MINUTE BOOK A7 PAGE 21

CLERK'S CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Order, as entered by the Court, has been sent, via First Class U.S. Mail, postage prepaid, to Janet M. Kleinfelter, Esq., Senior Counsel, Office of Attorney General, Financial Division, 425 5th Avenue North, P.O. Box 20207, Nashville, Tennessee 37243; Donald W. Schwendimann, Esq., 12 East Fourth Avenue, Hohenwald, Tennessee 38462; J. Graham Matherne, Esq., Wyatt, Tarrant & Combs, LLP, 2525 West End Avenue, Suite 1500, Nashville, Tennessee 37203-1423; Carrol D. Kilgore, Esq., 227 Second Avenue North, 4th Floor, Nashville, Tennessee 37201; Jeanne B. Bryant, Esq., Receivership Management, Inc., 215 Centerview Drive, Suite 133, Brentwood, Tennessee 37027; Tina G. Miller, Esq., Tennessee Department of Financial Institutions; Nashville City Center, Suite 400, 511 Union Street, Nashville, Tennessee 37219; The Honorable David G. Hayes, Tennessee Court of Criminal Appeals, Western Section, Supreme Court Building, P.O. Box 909, Jackson, Tennessee 38302; and The Honorable Walter C. Kurtz, Senior Judge, 1 Public Square, Suite 708, Nashville, Tennessee 37201, this 29th day of Sept., 2008.


CLERK

IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE:

SENTINEL COMPANY

NO. 4781

FILED
AT 9:17 O'CLOCK A. M.

DEC 21 2005

JANET WILLIAMS, CLERK & MASTER
BY Selena Wix

ORDER

The undersigned judges of the 21st Judicial District hereby recuse themselves from this action. By copy of this Order to the Administrative Office of the Courts, the Chief Justice of the Tennessee Supreme Court is requested to designate a new presiding judge in this matter.

IT IS SO ORDERED.

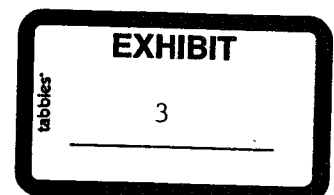
ENTERED this 21st day of December, 2005.

Russ Heldman
RUSS HELDMAN
CIRCUIT JUDGE, DIV. I

R.E. Lee Davies
R.E. LEE DAVIES
CIRCUIT JUDGE, DIV. II

Jeffrey S. Bivins
JEFFREY S. BIVINS
CIRCUIT JUDGE, DIV. III

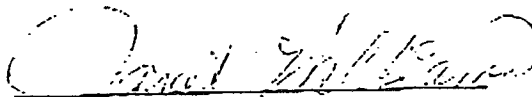
Timothy L. Easter
TIMOTHY L. EASTER
CIRCUIT JUDGE, DIV. IV



MINUTE BOOK A-10 PAGE 407

Certificate of Service

I, Janet Williams, Clerk and Master of the Chancery Court of Lewis County, Tennessee, do hereby certify that I have mailed a copy of the foregoing order by First Class U.S. Mail, postage prepaid, on this the 21st day of December, 2005.


Clerk and Master

Donald W. Schwendimann
12 East Fourth Avenue
P.O. Box 366
Hohenwald, TN 38462

J. Graham Matherne
Wyatt, Tarrant & Combs, LLP
2525 West End Ave., Suite 1500
Nashville, TN 37203-1423

Janet M. Kleinfelter
Senior Counsel
Office of Attorney General
Financial Division
425 5th Avenue North
P.O. Box 20207
Nashville, TN 37243

Carrol Kilgore
227 Second Avenue North, 4th Floor
Nashville, TN 37201

David D. Peluso
P.O. Box 250
Hohenwald, TN 38462

James S. Chase
John A. Decker
Hunton & Williams, LLP
900 South Gay Street, Suite 2000
P.O. Box 951
Knoxville, TN 37901

William B. Hubbard
Weed, Hubbard, Berry & Doughty
SunTrust Bank Bldg., Ste. 1420
201 Fourth Avenue North

Larry Stewart
Stokes, Bartholomew, Evans & Petree
424 Church Street, Ste 2800
Nashville, TN 37219

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114